ADDRESS

by

G. D. NAIDU

at a party in honour of

Mr LALJI MEHROTRA

President, Federation of
Indian Chambers of Commerce and Industry

at

"GOPAL BAGH", Avanashi Road

COIMBATORE

on

26—10—1948

Friends,

At the outset I thank Mr B. A. Padmanabha Iyer, Secretary of the Coimbatore Chamber of Commerce, for having given us the opportunity of welcoming our Chief Guest of this evening Mr Lalji Mehrotra, President of the Federation of Indian Chambers of Commerce and Industry.

I like to place certain facts about industries and commerce before Mr Mehrotra so that he may take some efforts for the sake of public benefit. At first I want to present a complaint to you against the Central Government and then I will deal about the drawbacks of the Central Government anb how they are neglecting the Chamber of Commerce which is working for the welfare as a heart for any type of Government as in any other country.

Unfortunately, South India has been neglected since a very long time in industry and commerce by the Govern nment and the people as well. In this connection a few people who are connected with industries and commerce and the different chambers of commerce tried to represent their grievances of backwardness in industry and commerce to the Central Government for redress in vain. Of course, a few committees, associations and commissions, or individual officers during their sojourn in South India now and then visited various places as vacation resorts. If they were foreigners, the visits were utilised for meeting their own ends or those of their friends.

The Central Government did not observe the inefficiency and partiality contained in their reports and went through their work on the basis of the reports. As a cons quence the Central Government treated South India with indifference. Because of such a kind of bad treatment which has been in vogue for sufficiently a long period, instead of cooperation or unity culminating as one Indian Union, the mentality of separation has shot out from different corners of India. Being subjected to oppression by the late British Government and the present Central Government, South India also has joined hands in laying the foundation for linguistic provincess, of course combined with some other motives also. Seeing this awakening in South India, North Indian people also are retorting with a more indifferent treatment, because alertness in South India will any day be detrimental to their aims.

Though some prominent leaders in high positions are carrying out their duties with no partiality or difference of community or province, others either directly or indirectly, straight to the face or behind the back, are treating South India as though it is a part outside the Indian Union. This is reflected glaringly, as in a mirror, in the activities of the Central Government, not only in appointments and administrative work, but also in the imposition of controls in an indiscriminate manner by their Industries and Commerce Department. Some of these facts were recently mentioned in the assemblies and the Press. I also happened to come across some dealings, in which I clearly saw a kind of preference shown to North India as against South

India in industrial and commercial lines. Though I am against any kind of separation, when, at last, I discovered no way to get rid of this bad mentality prevailing everywhere, I was compelled to side the move for separation in some of my previous speeches, at least for the sake of better administration.

While one section is administering the principles of Union with all vehement propaganda and another section is trying to kick out others, there is no wonder in the creation of parties to be free from those kicks with a desire to divide India in different sections under the guise of communalism, communism, or linguistic provincialism. Though several prominent people are aware of the differential treatment that is going on, no one had courage enough to bring out these facts on the floor of the Assembly. But I am proud to say that our esteemed friend Mr T. A. Ramalingam Chettiar openly brought forth some questions in the assembly recently about the not so good treatment given to the Madrasis at Delhi. Fortunately, the whole portion of his speech was not reproduced in the press. But in South India Mr E. V. Ramaswami Periar and Ex-Premier Sri Prakasam and some other prominent people as well are propagating among the public for separation in the name of Dravidasthan or linguistic provinces. Though such kinds of separations are detrimental to the consummation of one union, the Central Government is functioning with closed eyes like the proverbial cat unaware of what is going around and I won't be surprised if this agitation for separation one day comes true as a hard fact.

Now I want to quote some instances about the relationship between Government, and Industries and Commerce. But I do not want to take much time on these matters explaining elaborately. To prove instances of favouritism etc. I paid a very good amount to get the materials. When I mentioned of these payments to some of my friends in Delhi recently, they remarked "You have paid a very large amount for these materials. You can get any number of such materials for one twentieth of what you paid". In this manner several facts and figures are coming out daily and also published in several papers.

I read recently in a paper, which has got a wide circulation, all over India about an export ramp describing the permits given to four particular concerns only, with the quota of 75% of the export for groundnuts and that too in a short space of time while several applications for licence were received. I also read another news item in the same paper, about an import ramp for a permit of Rs. 70 lakhs to one who has no bank account. A glance of the records kept in the Export and Import Control Department itself can prove how industrialists and merchants are treated very badly by this department. Without some influence it is impossible to get any licence in time; perhaps not a single licence was obtained by anyone without extra efforts.

Allow me to draw your particular attention to one notable instance. Amongst numerous applications made for the past two or three years, with the solitary exception of one application of a company

here (for sterling area), all the other applications of this company were refused under the pretext of some excuse or other, such as want of dollar exchange, lack of facilities or late application. Though these applications were made only for materials or machines either for educational purposes or for testing purposes of Government institute, they were not favoured with the necessary licences. A department in the Madras Government recommended to the Import Trade Controller for the issue of licences as these materials were required for the said Government institute. After all, these materials were intended for imparting Engineering knowledge to students, and by the use of these materials, a colossal waste by wear and tear of machine parts, and abnormal waste of petrol etc. could have been avoided. When this was explained to Professor Humayun Kabir, Joint Educational Adviser to the Government of India who came down here some time back, he said he would recommend for licences for such materials. Recently when I had been to Delhi he rang up to some officers to look into these applications. When I mentioned abruptly and openly as to what was going on in the Import Trade Control Department in getting the licences, the officer there declined to do anything in the matter.

Then I went to another officer, a South Indian, who too declined to interfere. I thought that a South Indian at least would have some sympathy for his provincial Government as other Indians there. When he asked why the Government of Madras was ordering through this company, I convinced him as to how this company supplied to Government at a

cheaper price than other concerns, that is by supplying goods to Government without any profit. Though he saw the letter from the Government of Madras, he enquired "how could a company quote a price less than Bombay or Calcutta firms". Eventually he said he could not believe this and could not do anything then. The materials for which application was made for licence are very valuable materials for the public. For these kind of materials there should not be any kind of restriction or licence, as any amount of such materials is wanted for our country. These materials should be allowed to be imported without difficulty or restriction either. If they are imported abundantly and used here, lakhs and lakhs of dollars and sterling can be saved for capital goods. In this connection I wrote a letter explaining the necessity of the licence which has not been granted on account of some excuse or other. Let me give here the contents of the letter:

IMPORTERS LIMITED,

Importers - Exporters - Manufacturers - Representatives,

COIMBATORE.

REGD. & ACK. DUE.

19th June 1948.

The Chief Controller of Imports, New Delhi.

Sir,

Ref:- Your letter No. Pt. IV Group/2162-C/ 275-IV 1-48, dated 8-6-1948.

Apart from the applications made by us on 30-1-48, we have applied for several other licences

as well, all of which were refused for some reason or other except one licence applied for United Kingdom.

The reason mentioned is "that with regard to limited imports being permitted and foreign currency considerations, it is regretted that a licence cannot be granted for the current shipping period".

No doubt, all licences were applied for dollar currency. It was mentioned in papers that licences will be granted liberally for Capital goods. The materials applied for by us were capital of capital goods because they are more important than any capital goods for India at present.

When you are giving permits to import petrol and oil and other similar goods from the United States, we cannot uderstand why dollers cannot be sanctioned for these goods. All motor vehicles in India are not run by petrol and oil imported from Burma and Iraq. India is importing major quantity from the United States spending dollars. The import of petrol and oil is not going to be stopped at present.

The materials for which licences were applied in this reference are sets of tools for training students in carburetors and governors to be fitted to vehicles and industrial engines to reduce consumption of petrol, oil and other materials, which are imported from outside. Import of these items means saving of petrol, oil and parts, using them properly. If licence cannot be sanctioned for such important materials we are at a loss to understand, for what more useful purpose licences will be granted.

Perhaps one fourth of the dollars spent for petrol can be saved by using governors for all vehicles in India. When licences are refused to these goods it is surprising to see unimportant articles arriving in India in plenty. Luxury articles may be important to some people but certainly they are not so important as dollar saving Governors.

We very much regret to see the attitude of the Government in this case. We hope the matter will be reconsidered and licence sanctioned for carburetors, garage equipments, governors as well as educational films which will impart knowledge cheaper than any other means adopted by the Government. We are forced to write this as all the licences applied for by us were either refused or dragged on somehow or other for years together.

We are herein again enclosing the papers returned by you with the above referred letter and would request you to kindly grant the licence at an early date.

Yours faithfully,

(Sd) G. D. Naidu.

After this application I went through the statement of licences issued during the week ending 25th of September in which 683 licences have been issued in Delhi Office for various articles, such as printing machines, spirits, motor cars, motor vehicle spare parts, oil, grease, electric door chimes, coffee brewing equipment, domestic appliances, florescent tubes, water cooling plant, wooden blocks,

electric bulbs, refrigerators, caustic soda, lamp block, celluloid sheets, carbon block, plexi-glass, silver coated fabrics and other materials. Of course, some licences have been issued for some important materials such as pencillin, streptomycin, micrometers, X-ray equipment, plywood machinery, some spare parts for industrial machines, allmity guns, compressors, electric motors etc. Amongst these 683 licences, 376 licences for Rs. 3 21,26,275 have been given for U. S. A. Dollars. Out of these 376 licences, except 34, all the other licences have been given to Bombay, Calcutta, Delhi provinces.

The Deputy Chief Controller of Imports in Calcutta in the week ending 25th September, has given 333 licences amongst which 101 for Rs. 2234725 have been issued for Dollar area. Out of these, 6 licences for Rs. 1,45,399 have been given to Madras. The Import Trade Controller of the same place in the same period has given 87 licences of which 15 licences for Rs. 14,97,011 have been issued for Dollar area.

In Bombay in the week ending 25th September, the Deputy Chief Controller of Imports has issued 242 licences of which 64 for Rs. 25,44,329 have been issued for Dollar area. Again in the week ending 9th October, the same officer has issued 334 licences of which 63 licences for Rs. 48,58,518 have been issued for Dollar area. Electric bulbs, torches, camphor-powder, second hand clothing, wireless parts, radio parts, unexposed films, dyes and typewriters are among the various articles for which licences have been issued. Here some licences have been issued also for technical books, catalogues etc.

In Madras the Import Trade Controller in the week ending 2nd October has issued 129 licences for Rs. 1,03,92,113 of which 14 licences for Rs. 69,007 have been issued for dollar area. These 14 licences contain one for gum rosin valued at Rs. 1320, two for milk food valued at Rs. 2,000, one for synthetic essential oil valued at Rs. 500, seven licences for technical andprinted books valued at Rs. 61,125, one for double ended spanners valued at Rs. 1042, two for crown corks valued at Rs. 2,220 and one for sewing machine parts valued at Rs. 800, altogether Rs. 69,007. This is the amount allotted for Madras Presidency for Dollar area.

For the Madras Presidency the Import Trade Controller has been kind enough to give 55 licences for Rs. 10028064 amongst 129 to import areca nuts and betel nuts, whereas he has been able to grant Rs. 69,007 only for Dollar area!

Therefore in a week the Dollar Imports allowed are as follows:—

Issuing Officer	Total of Licences	Dollar Licences	Dollar in Rupees
New Delhi, Chief Controller of Imports	683	376	3,21,26,275
Calcutta, Dy. Chief Controller of Imports	333	101	22,34,725
Calcutta, Import Trade Controller	87	15	14,97,011
Bombay, Dy. Chief Controller of Imports	242	64	25,44,329
Bombay, for another week	334	63	48,58,518
Madras, Import Trade Controller	129	14	69,007

The total amount for Madras is Rs. 1,03,92,113 in which 55 licences of Rs. 1,00,28,044 value are given for areca and betal nuts.

Here, we can see one more peculiar circumstance in getting the licences. Rally Brothers, Volkart Brothers, Dodge and Seymore, some Albert, Sait and Das companies and some similar companies who have their business in Madras, fortunately have branches in Bombay and Calcutta. For their Madras business they get licences for a large amount because they have branches in Calcutta and Bombay. If any other North Indian firms have got business in Madras they also are getting licences easily. Again, any South Indian firm having some connection with North Indian people also get licences. But other honest and innocent dealers in this side of India cannot get licences except by accident or by immoral influence.

It is clearly proved from the above that unless somebody has got office at Bombay, Calcutta or Delhi, it is impossible to get licences. They should have influence also. Otherwise how are we to account for the licences given for unimportant articles from dollar area. I do not know how many licences have been refused for important articles up to now. After all, this company applied for one or two lakhs of dollars worth materials for very useful purpose, while, as mentioned above, several lakhs or crores of rupees worth licences have been issued for wanted and unwanted materials in the duration of a week. I think if only the Government has given the power of issuing licences or the power of recommending for

the issue of licences to the Federation of the Chambers of Commerce and Industry with a definite allotment of dollars for each area or town, nobody can think of corruption or prejudicial treatment or any other complaint. Nobody is unable to know why the Government is afraid of taking such straightforward step. If the chairman can ask the Government such a question, of course some suitable and nice replies can be prepared and sent!

I know of some instances in this province where some licences were secured by the influence of their past services, or wearing the apparels of a Congressman amounting to a few hundreds or thousands of rupees. But it seems in the Central Government tens of thousands of rupees and in certain cases lakhs of rupees are involved in favouritism.

Very recently additional cement factory licences have been issued with discrimination. Not only in the case of cement factories, but in the case of other industries and controls also, favouritism has been shown. If the Government could only have consulted these chambers they would have been able to guide properly, as members of these institutions have got vast experience of industrialisation. There may be an objection on the ground that only capitalists and business magnates are in the chambers. The Government need not show any favouritism to such capitalists and business magnates. But they can get their rich experience for the sake of the country. I am of the opinion that only the Federation of chambers of commerce can deal with these subjects without fear or favour, and without any motive of

differentiation better than anybody else in the Government. Unless favouritism in industry and business disappears there is no salvation for our country to go forward in the formation of one Union. Unless the Government gives recognition to the ideals of the chambers of commerce it will be guided by other forces to the deep sea. When we observe some recent memorandums and activities of the federation and of the Government, there seems to be no coordination prevailing at all. As mentioned in the memorandum when the Federation addressed the Government for the rectification of the defects in transports almost all the replies came in a negative manner. To their pointing out of the unsatisfactory administration, irresponsible staff, corruption and such other defects, the replies stated that the reasons for the prevalence of defects were blackmarketing, personal gains, deterioration in the standards of civic morality etc. But it seems that the authorities could not take any steps to put down such irregularities. The departments get angry when criticisms come from the Federation or anybody else. Of course, though they are not able to show their capability in the administration, their eloquence in their replies to criticisms is *par excellence* when compared to what you see in the debates or oratorical competitions.

In the drafting of the Constitution by the Constituent Assembly, no representation was given for the Federation of Chambers of Commerce and Industry, but representations for universities, for literature, arts and science, for engineering, for architecture, and for public administration and social service have been extended. I do not know whether

all the above could thrive without the coordination and support of practical industry and exchange of commerce. By University representation, you can create political colleges; by literature, art and science, you can establish laboratories for making research on the sun and moon; by agriculture you can make agricultural theories; by engineering you can produce theoretical engineers as produced in the existing engineering colleges; and by public administration, you can produce officers to sit and work in air-conditioned rooms or to give very good and convincing lectures on the platforms. With these theoretical productions, is there any chance for the uplift of the masses? The industry alone can help all these branches. They are inseparable; one cannot exist without the other. One is theory and the other is practice. If there is no equal industrial development all the other branches without industrial cooperation are to be termed as uncooked rice or unripened fruits. So it is a foregone conclusion that all the theoretical knowledge without a path for application, viz., "Industry" goes waste and serves no purpose to humanity. All these have been fully and comprehensively explained by our Chief Guest in a memorandum to the President of the Constituent Assembly. But we do not know whether the President will give any recognition to this memorandum for a representation.

Now the Government is going headlong with their one sided policy and this is not the place to mention or criticise as such activities are innumerable. The present attitude of the Government is to strike back, if any section of the public explains the

defects or difficulties faced by them, by saying "don't talk, don't criticise"! In some cases, besides remarking this they ask for constructive ways and means, which means more or less the Government asking the public to accept and advertise as best whatever actions they do. During the last meeting here, one of my friends, who is in Assembly, criticised my speech mentioning that I am always criticising the Government and asked me to give constructive suggestions instead of criticisms. I never criticised. I explained only what the difficulties are and the defects experienced by the actions of the Government. It seems my friend has taken this as criticism instead of taking as an advice in the same way, as government does. There is no wonder.

On the other hand the Government must set up debating societies for the purposes of expressing the pros and cons of their policies and to guide them in a proper way. Instead of being benefitted by such associations the Government is prosecuting journalists, communists and others for exposing the defects of the Government. The politics of the communists may be different and the view of the journalists also may be different from those of the Government. The Government on the contrary, should be thankful to them and try to rectify their drawbacks. In the same way the Federation is also expressing its views after discussing the pros and cons of any subject. Although I am not a communist or a congressite or any party man, I may also be apprehended as a dangerous man and prosecuted for expressing such glaring facts. I have no such fear, as our Prime Minister himself has asked us to bring

to light any defect found in the administration in order to be looked into by the Government.

Recently I told some friends that hereafter I won't say anything about our Madras Government. They asked 'why'.

Till now, in the recent years, I did not go outside Madras Presidency. So far I was asking our Government to take steps to remove illiteracy, black-marketing and inefficiency as I found these defects in this province. Recently I had occasion to visit the capital city of Delhi and saw all these defects higher there than in our province. On my return when I compared the Delhi scene with that of our Madras Government this Government appeared honest and more efficient to my eyes. Hence, while the Central Government is in such a state, it is not right to say anything of our Government here. We have to say that the Madras ministers are more honest than any other ministers in any other province. It is a fact that our officers are more energetic and more efficient than those in other provinces.

The South Indians are cleverer and conserve more energy to do more work, intellectually and physically, than their brethern in other parts of India. Now, we can say for certain that there are 7,000 South Indians in Delhi Secretariat. If they all come out one day to South India, I do not think that the Central Government can function at Delhi.

Unfortunately the Government is nationalising the inefficient people, unproductive industries and

mal-administration. In their eyes the labourers seems to be enemies and at the same time the capitalists also appear as enemies. Meanwhile the representations made by associations such as the Federation of chambers of commerce are also treated inimical. Instead of nationalising such activities, such people and such federations to bring about coordination between labourers and capitalists and between all other groups differing in views, they have adopted steps not conducive to the smooth sailing of the honoured institution, namely Government.

One may ask how to nationalise the different categories, capitalists and labourers. There are ways and means, but the Government in its present mood may think that such ways and means are funny. The only reason for this is ignorance and inability to understand things, as to what are needed and what are not needed, what are suitable and what are not suitable, what are efficient and what are inefficient and what is corruption and what is honesty.

Though all leaders in the top positions wish for the cooperation of the public for pure administration, we see with our own eyes more non-cooperation growing in strength day by day. What is the reason for this? Government can escape easily by saying that public morality is such and therefore they could not do anything as mentioned by them in one of their replies given to the Federation of Chambers of Commerce. In that case, is there no remedy for this?

It is a wonder in an age Pencillin was found out for dreadful diseases and open ways and means are available to cure the diseases of the Government that the Government cries how to cross these dangers!

Now, if the Government gives ten years rigorous imprisonment or even death sentence with confiscation of wealth for any corruption of any member of the public or of the administrative staff, can anybody say that corruption will again lift its head? If this corruption alone is put down there will not be any famine or any necessity for control and ration. But again a vicious circle will be created, when the Government starts to reduce the expenses. In that case Government will create a field for corruption. Instead of any reduction, Government should pay sufficiently to the staff, promulgate such and such punishment for corruption, and then get advices from public associations such as Chambers of Commerce for guiding the developments of industry, agriculture, commerce etc. Now it is Government's duty to train and teach the public and the staff courage and honesty in everything, as public and staff cannot learn by themselves. First you teach them honesty and expect honest work from them. Public are children of the Government. The duty of the Government is to teach innocent children. One cannot get any benefit from children unless they are taught well. It is a sin for the Government to escape by blaming the public and staff as wanting in morality when they have not taken any steps to impart any morality to them. Until Government adopts this policy we are not supposed to be in

Independent India. However, still we hope that the Government will strive to achieve real independence for our country by proper methods.

Sir, I hope you will not take these matters with any sort of misunderstanding. I request you to observe things in their true perspective and observe the activities of the chambers of commerce here, prepared to cooperate with you. With the cooperation of all the chambers of commerce you will achieve our object from the Government.

I welcome Mr B. P. Agrawalla, Member of the Committee of Federation of Chambers of Commerce representing Mines and President of the Indian Collery Owners Association of Calcutta, who has been kind enough to join us today. I thank from my heart of hearts both Mr Mehrotra and Mr Agrawalla for the opportunity they have given us to hear their advices.

I thank all friends who have honoured me by attending this meeting in response to my invitation.

Independent India. However, still we hope that the Government will strive to achieve real independence for our country by proper methods.

Sir, I hope you will not take these matters with any sort of misunderstanding. I request you to observe things in their true perspective and observe the activities of the chambers of commerce here, prepared to cooperate with you. With the cooperation of all the chambers of commerce you will achieve our object from the Government.

I welcome Mr R. P. Agrawalla, Member of the Committee of Federation of Chambers of Commerce representing Mines and President of the Indian Colliery Owners Association of Calcutta, who has been kind enough to join us today. I thank from my heart of hearts both Mr Mehrotra and Mr Agrawalla for the opportunity they have given us to hear their advices.

I thank all friends who have honoured me by attending this meeting in response to my invitation.

Printed at U. M. S. Power Press, Coimbatore